

paragraph (3) or (4) of section 2021(b) of this title shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.

(b) In any judicial action arising under this chapter, any food stamp allotments found to have been wrongfully withheld shall be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments or, in either case, not more than one year prior to the date the State agency is notified or otherwise discovers the possible loss to a household.

(Pub. L. 88–525, §14, Aug. 31, 1964, 78 Stat. 708; Pub. L. 91–671, §7, Jan. 11, 1971, 84 Stat. 2052; Pub. L. 92–603, title IV, §411(f), Oct. 30, 1972, 86 Stat. 1492; Pub. L. 95–113, title XIII, §1301, Sept. 29, 1977, 91 Stat. 974; Pub. L. 97–98, title XIII, §1320(b), Dec. 22, 1981, 95 Stat. 1286; Pub. L. 97–253, title I, §176(b), Sept. 8, 1982, 96 Stat. 781; Pub. L. 99–198, title XV, §1536, Dec. 23, 1985, 99 Stat. 1585; Pub. L. 100–435, title VI, §603, Sept. 19, 1988, 102 Stat. 1674; Pub. L. 103–66, title XIII, §13951(b), Aug. 10, 1993, 107 Stat. 678; Pub. L. 104–193, title VIII, §845, Aug. 22, 1996, 110 Stat. 2333; Pub. L. 107–171, title IV, §4117(a), May 13, 2002, 116 Stat. 316.)

REFERENCES IN TEXT

The Federal Rules of Evidence, referred to in subsec. (a)(7), are set out in the Appendix to Title 28, Judiciary and Judicial Procedure.

AMENDMENTS

2002—Subsec. (a)(2). Pub. L. 107–171 added heading and text of par. (2) and struck out former par. (2) which read as follows: “Such notice shall be delivered by certified mail or personal service.”

1996—Subsec. (a). Pub. L. 104–193 designated first through seventeenth sentences as pars. (1) to (17), respectively, and added par. (18).

1993—Subsec. (a). Pub. L. 103–66 inserted “(including determinations as to whether there is good cause for not imposing all or a portion of the penalty)” after “Determinations regarding claims made pursuant to section 2025(c) of this title” in sixth sentence and struck out at end “Notwithstanding the administrative or judicial review procedures set forth in this subsection, determinations by the Secretary concerning whether a State agency had good cause for its failure to meet error rate tolerance levels established under section 2025(c) of this title are final.”

1988—Subsec. (a). Pub. L. 100–435 inserted provisions relating to judicial review and determinations regarding excessive payment error rate claims pursuant to section 2025(c) of this title.

1985—Subsec. (a). Pub. L. 99–198 substituted “on application” for “an application” and “consideration by the court of the applicant’s likelihood of prevailing on the merits and of irreparable injury” for “showing of irreparable injury”.

1982—Subsec. (a). Pub. L. 97–253 substituted “section 2021 of this title, or a retail food store or wholesale food concern forfeits a bond under section 2021(d) of this title,” for “section 2021 of this title.”

1981—Pub. L. 97–98 designated existing provision as subsec. (a) and added subsec. (b).

1977—Pub. L. 95–113 substituted revised provisions for administrative and judicial review for provisions relat-

ing to violations and enforcement which are now covered by section 2024 of this title.

1972—Subsec. (e). Pub. L. 92–603 struck out subsec. (e) which provided that no person be charged with violation of this chapter or any other law on the basis of statements or information contained in affidavits filed under section 2019(c) of this title, except for fraud.

1971—Subsec. (a). Pub. L. 91–671, §7(a), provided for purchase of coupons.

Subsec. (b). Pub. L. 91–671, §7(a), included alteration as an offense and made authorization to purchase cards the subject matter of the enumerated offenses.

Subsec. (e). Pub. L. 91–671, §7(b), added subsec. (e).

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107–171, title IV, §4117(b), May 13, 2002, 116 Stat. 316, provided that: “The amendment made by this section [amending this section] takes effect on the date of enactment of this Act [May 13, 2002].”

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103–66 effective Oct. 1, 1991, see section 13971(b)(1)(A) of Pub. L. 103–66, set out as a note under section 2025 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100–435 effective Oct. 1, 1985, with respect to claims under section 2025(c) of this title for quality control review periods after such date, except as otherwise provided, see section 701(b)(5)(C), (D) of Pub. L. 100–435, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97–253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97–253, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–98 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 1338 of Pub. L. 97–98, set out as a note under section 2012 of this title, see section 192(b) of Pub. L. 97–253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97–98 effective upon such date as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 1338 of Pub. L. 97–98, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Section 1301 of Pub. L. 95–113 provided that the amendment made by that section is effective Oct. 1, 1977.

EFFECTIVE DATE OF 1972 AMENDMENT

Amendment by Pub. L. 92–603 effective Jan. 1, 1973, see section 411(h) of Pub. L. 92–603, set out as a note under section 2012 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2018, 2020, 2021, 2022, 2025 of this title.

§ 2024. Violations and enforcement

(a) Coupon redemption

Notwithstanding any other provision of this chapter, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as the Secretary deems necessary or appropriate to protect the interests of the United States or to ensure enforcement of the provisions of this chapter or the regulations issued pursuant to this chapter.

(b) Unauthorized use, transfer, acquisition, alteration, or possession of coupons or authorization cards; restitution by convicted individuals

(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons, authorization cards, or access devices in any manner contrary to this chapter or the regulations issued pursuant to this chapter shall, if such coupons, authorization cards, or access devices are of a value of \$5,000 or more, be guilty of a felony and shall be fined not more than \$250,000 or imprisoned for not more than twenty years, or both, and shall, if such coupons or authorization cards are of a value of \$100 or more, but less than \$5,000, or if the item used, transferred, acquired, altered, or possessed is an access device that has a value of \$100 or more, but less than \$5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than \$10,000 or, if such coupons or authorization cards are of a value of less than \$100, or if the item used, transferred, acquired, altered, or processed is an access device that has a value of less than \$100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title.

(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(c) Presentation for payment or redemption of coupons that have been illegally received, transferred, or used

Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this chapter or the regulations issued pursuant to this chapter, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than \$20,000 or imprisoned for not more than five

years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than \$20,000, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title.

(d) Coupons as obligations of the United States

Coupons issued pursuant to this chapter shall be deemed to be obligations of the United States within the meaning of section 8 of title 18.

(e) Failure to provide monthly operations report; violation of regulations; delivery and control procedures

Any coupon issuer or any officer, employee, or agent thereof convicted of failing to provide the report required under section 2016(d) of this title or of violating the regulations issued under section 2016(d) and (e) of this title shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(f) Liability for financial losses involved in acceptance, storage, and issuance of coupons

Any coupon issuer or any officer, employee, or agent thereof convicted of knowingly providing false information in the report required under section 2016(d) of this title shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

(g) Forfeiture of property involved in illegal food stamp transactions

The Secretary may subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value that are furnished by any person in exchange for coupons, authorization cards or access devices, or anything of value obtained by use of an access device, in any manner contrary to this chapter or the regulations issued under this chapter. Any forfeiture and disposal of property forfeited under this subsection shall be conducted in accordance with procedures contained in regulations issued by the Secretary.

(h) Criminal forfeiture

(1) In general

In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c) of this section, a court shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in paragraph (2).

(2) Property subject to forfeiture

All property, real and personal, used in a transaction or attempted transaction, to com-

mit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c) of this section, or proceeds traceable to a violation of subsection (b) or (c) of this section, shall be subject to forfeiture to the United States under paragraph (1).

(3) Interest of owner

No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

(4) Proceeds

The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 2018 of this title.

(Pub. L. 88-525, §15, Aug. 31, 1964, 78 Stat. 708; Pub. L. 91-671, §8, Jan. 11, 1971, 84 Stat. 2052; Pub. L. 93-347, §2, July 12, 1974, 88 Stat. 341; Pub. L. 95-113, title XIII, §1301, Sept. 29, 1977, 91 Stat. 975; Pub. L. 96-249, title I, §124, May 26, 1980, 94 Stat. 363; Pub. L. 97-98, title XIII, §1324, Dec. 22, 1981, 95 Stat. 1288; Pub. L. 101-624, title XVII, §§1747(a), (c), 1748, 1749, Nov. 28, 1990, 104 Stat. 3796, 3797; Pub. L. 104-193, title VIII, §846, Aug. 22, 1996, 110 Stat. 2334.)

AMENDMENTS

1996—Subsec. (g). Pub. L. 104-193, §846(a), struck out “or intended to be furnished” after “that are furnished”.

Subsec. (h). Pub. L. 104-193, §846(b), added subsec. (h).

1990—Subsec. (b)(1). Pub. L. 101-624, §1748, inserted “if such coupons, authorization cards, or access devices are of a value of \$5,000 or more, be guilty of a felony and shall be fined not more than \$250,000 or imprisoned for not more than twenty years, or both, and shall,” after “chapter shall”, and inserted “but less than \$5,000,” after “\$100 or more” in two places.

Pub. L. 101-624, §1747(a), substituted “, authorization cards, or access devices in any manner contrary to” for “or authorization cards in any manner not authorized by”, and inserted “or if the item used, transferred, acquired, altered, or possessed is an access device that has a value of \$100 or more,” after “a value of \$100 or more,” and inserted “or if the item used, transferred, acquired, altered, or processed is an access device that has a value of less than \$100,” after “a value of less than \$100.”

Subsec. (c). Pub. L. 101-624, §1749, substituted “\$20,000” for “\$10,000” in two places.

Subsec. (g). Pub. L. 101-624, §1747(c), substituted “, authorization cards or access devices, or anything of

value obtained by use of an access device, in any manner contrary to” for “or authorization cards in any manner not authorized by”.

1981—Subsec. (b). Pub. L. 97-98 designated existing provision as par. (1), inserted provisions specifying the minimum and maximum sentences for the second and any subsequent convictions for felonies and misdemeanors and provision authorizing the court to suspend a person convicted of a felony or misdemeanor under this subsection from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title, and added par. (2).

Subsec. (c). Pub. L. 97-98 inserted provisions specifying the minimum and maximum sentences for the second and any subsequent convictions for felonies and misdemeanors and provision authorizing the court to suspend a person convicted of a felony or misdemeanor under this subsection from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title.

1980—Subsec. (g). Pub. L. 96-249 added subsec. (g).

1977—Pub. L. 95-113 substituted revised provisions relating to violations and enforcement for provisions relating to the State financing of administrative costs which are now covered by section 2025 of this title.

1974—Pub. L. 93-347 authorized the Secretary of Agriculture to pay each State agency 50 percent of all the State agency’s costs in administering the Food Stamp Program and required that each State make reports from time to time at the request of the Secretary of Agriculture on the effectiveness of the administration of the Food Stamp Program in that State.

1971—Subsec. (b). Pub. L. 91-671 struck out “cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 2019 of this title. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households” after “is authorized to”, and in providing for payments to State agencies, increased percentage from 50 to 62½, and substituted cl. (1) provisions for travel and travel-related cost of personnel for such time as they are employed in taking the action required under section 2019(e) of this title and in making certification determinations for households other than those which consist solely of recipients of welfare assistance for prior cl. (1) for direct salary costs of personnel used to make interviews and such postinterview investigations as are necessary to certify eligibility of such households, for periods of employment, in certifying the eligibility of such households; cl. (2) respecting direct salary, travel, and travel-related costs (including such fringe benefits as are normally paid) of personnel for time of employment as hearing officials under section 2019(e) of this title for prior cl. (2) respecting travel and related costs incurred by personnel in postinterview field investigations of households, and deleted cl. (3) for an amount not to exceed 25 per centum of the costs computed under former cls. (1) and (2).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title, see section 192(b) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97-98 effective upon such date as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Section 1301 of Pub. L. 95-113 provided that the amendment made by that section is effective Oct. 1, 1977.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2015, 2016 of this title; title 18 section 1956; title 26 section 6109; title 42 section 405.

§ 2025. Administrative cost-sharing and quality control

(a) Administrative costs

Subject to subsection (k) of this section, the Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs involved in each State agency's operation of the food stamp program, which costs shall include, but not be limited to, the cost of (1) the certification of applicant households, (2) the acceptance, storage, protection, control, and accounting of coupons after their delivery to receiving points within the State, (3) the issuance of coupons to all eligible households, (4) food stamp informational activities, including those undertaken under section 2020(e)(1)(A) of this title, but not including recruitment activities, (5) fair hearings, (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g) of this section, (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system established under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d)): *Provided*, That the Secretary is authorized at the Secretary's discretion to pay any State agency administering the food stamp program on all or part of an Indian reservation under section 2020(d) of this title or in a Native village within the State of Alaska identified in section 1610(b) of title 43,¹ such amounts for administrative costs as the Secretary determines to be necessary for effective operation of the food stamp program, as well as to permit each State to retain 35 percent of the value of all funds or allotments recovered or collected pursuant to sections 2015(b) and 2022(c) of this title and 20 percent of the value of any other funds or allotments recovered or collected, except the value of funds or allotments recovered or collected that arise from an error of a State agency. The officials responsible for making determinations of ineligibility under this chapter shall not receive or benefit from revenues retained by the State under the provisions of this subsection.

(b) Work supplementation or support program

(1) "Work supplementation or support program" defined

In this subsection, the term "work supplementation or support program" means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who

was not employed by the employer at the time the public assistance recipient entered the program.

(2) Program

A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

(3) Procedure

If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

(C) for purposes of—

(i) sections 2014 and 2017(a) of this title, the amount received under this subsection shall be excluded from household income and resources; and

(ii) section 2017(b) of this title, the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

(4) Other work requirements

No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 2015(d) of this title, except during the periods in which the individual is employed under the work supplementation or support program.

(5) Length of participation

A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

(6) Displacement

A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.

(c) Quality control system

(1) In general

(A) System

In carrying out the food stamp program, the Secretary shall carry out a system that

¹ So in original. The period probably should not appear.